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Mary P. Sclawy
Attorney

No. 0-240A065

Date AUG 27 1980

Fee \$ 50.00

ICC Washington, D. C.

RECORDATION NO. 12133
Filed 1425

AUG 27 1980 2 05 PM

INTERSTATE COMMERCE COMMISSION



Grand Trunk Western Railroad Co

Law Department

131 West Lafayette Boulevard
Detroit, Michigan 48226
(313) 962-2260

August 25, 1980
File: 352

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mrs. Mergenovich:

Enclosed for recordation pursuant to Section 11303 of the Interstate Commerce Act are counterparts of the following document:

Conditional Sale Agreement and Assignment dated as of March 31, 1980 among North American Car Corporation (the "Vendor"), Grand Trunk Western Railroad Company (the "Vendee") and The Northern Trust Company (the "Investor").

The addresses of the parties to the aforesaid agreements are:

Vendor: North American Car Corporation
222 South Riverside Plaza
Chicago, Illinois 60606

Vendee: Grand Trunk Western Railroad Company
131 West Lafayette Boulevard
Detroit, Michigan 48226

Investor: The Northern Trust Company
50 South LaSalle Street
Chicago, Illinois 60675

The equipment covered by the aforesaid agreement consists of the rolling stock shown on Schedule A attached hereto.

All said equipment bears the legend, "Ownership subject to a security agreement filed with the Interstate Commerce Commission," or similar markings.

Aug 27 2 05 PM
I.C.C.
FEE OFFERED
11/15/80

Consent - C.T. Kanner

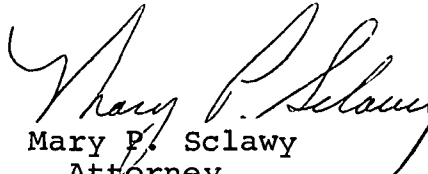
Mrs. Agatha L. Mergenovich
Page Two

August 25, 1980
File: 352

Enclosed is our check for \$50.00 for the required recordation fee. Please accept for recordation one set of counterparts of the enclosed agreement, stamp the remaining counterparts with your recordation number and return them to the delivering messenger.

The undersigned is attorney for the Vendee mentioned in the enclosed documents and has knowledge of the matters set forth therein.

Sincerely,


Mary P. Sclawy
Attorney

MPS:bjm

Enclosures

SCHEDULE A

To Conditional Sale Agreement and Assignment

Description of Equipment 40 used 85 foot
70-ton Piggyback
Flat Cars built
1960 and 1962
bearing the follow-
ing Grand Trunk
Western Railroad
Company Road Numbers.
Purchase Price \$408,000

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
4006✓	GTW 303012✓	
339✓	GTW 303013✓	
436✓	GTW 303014✓	
4052✓	GTW 303015✓	
4500✓	GTW 303016✓	
4504✓	GTW 303017✓	
4008✓	GTW 303018✓	
393✓	GTW 303019✓	
7522✓	GTW 303021✓	
7534✓	GTW 303022✓	
7538✓	GTW 303023✓	
378✓	GTW 303024✓	
7535✓	GTW 303025✓	
4007✓	GTW 303026✓	
260✓	GTW 303027✓	
1152✓	GTW 303029✓	
7537✓	GTW 303031✓	
248✓	GTW 303032✓	
16009✓	GTW 303033✓	
249✓	GTW 303034✓	
7521✓	GTW 303035✓	
7518✓	GTW 303036✓	
7532✓	GTW 303037✓	
4051✓	GTW 303040✓	
7517✓	GTW 303041✓	
7526✓	GTW 303042✓	
4010✓	GTW 303043✓	
277✓	GTW 303044✓	
4510✓	GTW 303045✓	
4503✓	GTW 303046✓	
16014✓	GTW 303048✓	
9029✓	GTW 303049✓	
4509✓	GTW 303051✓	
9045✓	GTW 303052✓	
250✓	GTW 303053✓	
7514✓	GTW 303054✓	
425✓	GTW 303055✓	
16001✓	GTW 303056✓	
4005✓	GTW 303057✓	
7519✓	GTW 303058✓	

Description of Equipment 241 used Items as follows:

47 cars low deck bi-level built by Pullman in 1968 - 10" FreightMaster E.O.C. cushion; 8'4" wide width with Paragon bi-level rack. Purchase Price	453,112
17 cars standard deck bi-level built by ACF in 1963-64 - 10" wide FreightMaster E.O.C. cushion; 8'6" wide with Whitehead & Kales AB-15110 bi-level rack. Purchase Price	101,163
54 cars low deck bi-level built by ACF and W&K in 1964-5-6 - 10" FreightMaster E.O.C. cushion - 8'2" wide with W&K AB-15122 tri-level rack modified from 304600 series by Paragon. Purchase Price	520,598
35 cars low deck bi-level built by ACF in 1962-64 * Non-cushion car - 8'2" wide with modified W&K AB-15086 sliding tri-level rack. Purchase Price	175,166
3 cars low deck tri-level built by ACF in 1962-64 Non-cushion car - 8'2" wide with W&K AB-15086 sliding tri-level rack. Purchase Price	13,945
26 cars low deck tri-level built by ACF in 1962-64 Non-cushion car - 8'2" wide with W&K AB-15086 sliding tri-level rack modified account "B" deck secured for "Western" movements. Purchase Price	122,533
6 cars low deck tri-level built by ACF in 1964 - 10" FreightMaster E.O.C. cushion - 8'4" wide with W&K AB-15122 tri-level rack. Purchase Price	39,217
47 cars low deck tri-level built by W&K in 1965-66 - 10" FreightMaster E.O.C. cushion - 7'10" wide with W&K AB-15122 tri-level rack; and 6 cars low deck tri-level built by ACF and W&K in 1965 - 10" FreightMaster E.O.C. cushion - 8'4" wide with W&K AB15122 tri-level rack. Purchase Price	446,216

TRIAL NUMBERS*all released*
ORIGINAL
RUNNING NUMBERSRETESTENCED
RUNNING NUMBERS

13800	GTW 304000
13801	GTW 304001
13802	GTW 304002
13803	GTW 304003
13804	GTW 304004
13805	GTW 304005
13806	GTW 304006
13808	GTW 304008
13809	GTW 304009
13811	GTW 304011
13812	GTW 304012
13813	GTW 304013
13814	GTW 304014
13815	GTW 304015
13816	GTW 304016
13817	GTW 304017
13819	GTW 304019
13820	GTW 304020
13821	GTW 304021
13822	GTW 304022
13823	GTW 304023
13824	GTW 304024
13825	GTW 304025
13827	GTW 304027
13828	GTW 304028
13829	GTW 304029
13830	GTW 304030
13831	GTW 304031
13832	GTW 304032
13833	GTW 304033
13834	GTW 304034
13835	GTW 304035
13836	GTW 304036
13837	GTW 304037
13839	GTW 304039
13840	GTW 304040
13841	GTW 304041
13842	GTW 304042
13843	GTW 304043
13844	GTW 304044
13845	GTW 304045
13846	GTW 304046
13847	GTW 304047
13850	GTW 304050
13851	GTW 304051
13852	GTW 304052
13853	GTW 304053

<u>ORIGINAL</u> <u>RUNNING NUMBERS</u>	<u>RESTENCED</u> <u>RUNNING NUMBERS</u>
13854	GTW 304054✓
13597	GTW 304215✓
13598	GTW 304216✓
13599	GTW 304217✓
13601	GTW 304219✓
13602	GTW 304220✓
13603	GTW 304221✓
13651	GTW 304222✓
13653	GTW 304224✓
13657	GTW 304228✓
13658	GTW 304229✓
13659	GTW 304230✓
13660	GTW 304231✓
13661	GTW 304232✓
13663	GTW 304234✓
13664	GTW 304235✓
13665	GTW 304236✓
13666	GTW 304237✓
13638	GTW 304400✓
13641	GTW 304401✓
13762	GTW 304402✓
13646	GTW 304403✓
13682	GTW 304404✓
13686	GTW 304405✓
13680	GTW 304406✓
13637	GTW 304407✓
13703	GTW 304408✓
13670	GTW 304409✓
13701	GTW 304410✓
13706	GTW 304411✓
13695	GTW 304412✓
13683	GTW 304413✓
13674	GTW 304414✓
13676	GTW 304415✓
13735	GTW 304416✓
13650	GTW 304417✓
13675	GTW 304418✓
13677	GTW 304419✓
13681	GTW 304420✓
13693	GTW 304421✓
13740	GTW 304422✓
13678	GTW 304423✓
13649	GTW 304424✓
13688	GTW 304425✓
13756	GTW 304426✓
13644	GTW 304427✓
13700	GTW 304428✓
13679	GTW 304429✓
13737	GTW 304430✓
13743	GTW 304431✓

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13757	GTW 304432✓	
13694	GTW 304433✓	
13704	GTW 304434✓	
13716	GTW 304435✓	
13718	GTW 304436✓	
13731	GTW 304437✓	
13732	GTW 304438✓	
13742	GTW 304439✓	
13745	GTW 304440✓	
13752	GTW 304441✓	
13754	GTW 304442✓	
13717	GTW 304443✓	
13729	GTW 304444✓	
13733	GTW 304445✓	
13689	GTW 304446✓	
13736	GTW 304447✓	
13705	GTW 304448✓	
13722	GTW 304449✓	
13749	GTW 304450✓	
13751	GTW 304451✓	
13755	GTW 304452✓	
13750	GTW 304453✓	
13534	GTW 304534✓	
13539	GTW 304539✓	
13619	GTW 304597✓	
13639	GTW 304616✓	
13640	GTW 304617✓	
13642	GTW 304619✓	
13643	GTW 304620✓	
13645	GTW 304622✓	
13648	GTW 304625✓	
13668	GTW 304628✓	
13669	GTW 304629✓	
13671	GTW 304631✓	
13672	GTW 304632✓	
13673	GTW 304633✓	
13684	GTW 304644✓	
13685	GTW 304645✓	
13687	GTW 304647✓	
13690	GTW 304650✓	
13691	GTW 304651✓	
13696	GTW 304656✓	
13697	GTW 304657✓	
13698	GTW 304658✓	
13702	GTW 304662✓	
13719	GTW 304670✓	
13720	GTW 304671✓	
13721	GTW 304672✓	
13723	GTW 304674✓	

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCED RUNNING NUMBERS</u>
13724	GTW 304675✓	
13725	GTW 304676✓	
13727	GTW 304678✓	
13730	GTW 304681✓	
13734	GTW 304685✓	
13738	GTW 304689✓	
13739	GTW 304690✓	
13741	GTW 304692✓	
13746	GTW 304697✓	
13747	GTW 304698✓	
13748	GTW 304699✓	
13761	GTW 304711✓	
13763	GTW 304713✓	
13764	GTW 304714✓	
13765	GTW 304715✓	
13766	GTW 304716✓	
13767	GTW 304717✓	
13768	GTW 304718✓	
13769	GTW 304719✓	
13770	GTW 304720✓	
13771	GTW 304721✓	
13772	GTW 304722✓	
13774	GTW 304724✓	
13775	GTW 304725✓	
13776	GTW 304726✓	
13777	GTW 304727✓	
13778	GTW 304728✓	
13779	GTW 304729✓	
13780	GTW 304730✓	
13781	GTW 304731✓	
13782	GTW 304732✓	
13783	GTW 304733✓	
13784	GTW 304734✓	
13785	GTW 304735✓	
13531	GTW 404531✓	
13535	GTW 404535✓	
13543	GTW 404543✓	
13546	GTW 404546✓	
13548	GTW 404548✓	
13551	GTW 404551✓	
13554	GTW 404554✓	
13556	GTW 404556✓	
13560	GTW 404560✓	
13561	GTW 404561✓	
13563	GTW 404563✓	
13564	GTW 404564✓	
13000	GTW 404566✓	
13004	GTW 404567✓	
13005	GTW 404568✓	
13007	GTW 404570✓	
13008	GTW 404571✓	

GTW 504560

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13605	GTW 404583✓	
13608	GTW 404586✓	
13609	GTW 404587✓	
13618	GTW 404596✓	
13621	GTW 404599✓	
13622	GTW 404600✓	
13624	GTW 404602✓	
13627	GTW 404605✓	
13629	GTW 404606✓	
13634	GTW 404611✓	
13532	GTW 504532✓	
13536	GTW 404536✓	GTW 504536
13537	GTW 404537✓	GTW 504537
13538	GTW 404538✓	GTW 504538
13541	GTW 504541✓	
13542	GTW 504542✓	
13544	GTW 404544✓	GTW 504544
13545	GTW 504545✓	
13547	GTW 504547✓	
13549	GTW 404549✓	GTW 504549
13557	GTW 404557✓	GTW 504557
13565	GTW 504565✓	
13006	GTW 404569✓	GTW 504569
13009	GTW 504572✓	
13581	GTW 504581✓	
13604	GTW 504582✓	
13607	GTW 404585✓	GTW 504585
13610	GTW 404588✓	GTW 504588
13611	GTW 404589✓	GTW 504589
13612	GTW 404590✓	GTW 504590
13613	GTW 404591✓	GTW 504591
13614	GTW 404592✓	GTW 504592
13615	GTW 504593✓	
13616	GTW 404594✓	GTW 504594
13617	GTW 504595✓	
13620	GTW 404598✓	GTW 504598
13623	GTW 504601✓	
13625	GTW 404603✓	GTW 504603
13626	GTW 404604✓	GTW 504604
13630	GTW 404607✓	GTW 504607
13631	GTW 404608✓	GTW 504608
13632	GTW 504609✓	
13633	GTW 404610✓	GTW 504610
13635	GTW 504612✓	

Description of Equipment 12 Used Implement
 Flat Cars built
 1967 and bearing the
 Following Grand Trunk
 Western Railroad
 Company Numbers.
 Purchase Price \$ 122,400

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13786	GTW 303000✓	
13787	GTW 303001✓	
13788	GTW 303002✓	
13789	GTW 303003✓	
13790	GTW 303004✓	
13791	GTW 303005✓	
13792	GTW 303006✓	
13793	GTW 303007✓	
13794	GTW 303008✓	
13795	GTW 303009✓	
13796	GTW 303010✓	
13797	GTW 303011✓	

Description of Equipment 12 Used Screened
 Bi-Level Cars built
 1966 - 1967 and
 bearing the following
 Grand Trunk Western
 Railroad Company Numbers.
 Purchase Price 147,600

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13123	GTW 304454✓	
13124	GTW 304455✓	
13125	GTW 304456✓	
13126	GTW 304457✓	
13127	GTW 304458✓	
13128	GTW 304459✓	
13129	GTW 304460✓	
13130	GTW 304461✓	
13131	GTW 304462✓	
13132	GTW 304463✓	
13133	GTW 304464✓	
13134	GTW 304465✓	

TOTAL CONDITIONAL SALE INDEBTEDNESS \$2,549,950

Interstate Commerce Commission
Washington, D.C. 20423

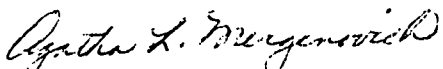
OFFICE OF THE SECRETARY

Mary P. Sclawy
Grand Trunk Western RR Co.
131 West Lafayette Blvd.
Detroit, Michigan 48226

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 8/27/80 at 2:05PM , and assigned re-recording number(s). 12133

Sincerely yours,


Agatha L. Mergenovich
Secretary

Enclosure(s)

RECORDATION NO. 12133

AUG 27 1980 .2 05 PM

INTERSTATE COMMERCE COMMISSION

CONDITIONAL SALE AGREEMENT
AND ASSIGNMENT

Dated as of March 31, 1980

AMONG

NORTH AMERICAN CAR CORPORATION

Vendor,

GRAND TRUNK WESTERN RAILROAD COMPANY

Railroad

AND

THE NORTHERN TRUST COMPANY

Investor

Re:

\$2,559,591 Maximum Principal Amount

Conditional Sale Indebtedness due 1981 - 1985
of
Grand Trunk Western Railroad Company

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Attachments to Conditional Sale Agreement and Assignment

Schedule A - Description of Equipment

CONDITIONAL SALE AGREEMENT AND ASSIGNMENT dated for convenience as of March 31, 1980 between NORTH AMERICAN CAR CORPORATION, a Delaware corporation (the "Vendor"), GRAND TRUNK WESTERN RAILROAD COMPANY, a Michigan corporation (the "Railroad") and THE NORTHERN TRUST COMPANY, an Illinois banking corporation (the "Investor").

WHEREAS, the Vendor is willing to sell to the Railroad, and the Railroad is willing to purchase, the railroad equipment described in Schedule A attached hereto (collectively the "Items of Equipment" or "Equipment" and individually an "Item" or "Item of Equipment");

WHEREAS, the Railroad and the Investor have entered into a Finance Agreement dated as of March 31, 1980 (the "Finance Agreement") providing for the financing of the cost of the Equipment;

WHEREAS, the Investor, the Vendor and the Railroad have agreed that this Agreement shall exclusively and completely state the rights of the Vendor and the Railroad with respect to the Equipment and shall supersede all other agreements, oral or written, with respect to the Equipment; and

WHEREAS, the Investor is willing to acquire the right, security title and interest of the Vendor in and to the within Conditional Sale Agreement and Assignment and the right, security title and interest in and to the Equipment covered thereby for a consideration equal to the Conditional Sale Indebtedness hereunder and upon and subject to the terms and conditions hereinafter and in the Finance Agreement set forth.

NOW, THEREFORE, in consideration of the mutual premises, covenants and agreements hereinafter set forth, the parties hereto agree as follows:

SECTION 1. SALE.

The Vendor will sell to the Railroad, and the Railroad will purchase from the Vendor and pay for as hereinafter provided, the Equipment.

SECTION 2. POSSESSION; RISK OF LOSS.

2.1. All of the Equipment is currently in the possession of the Railroad pursuant to certain Lease Agreements dated July 1, 1970 and August 1, 1974 (the "Leases" or each "Lease") between the Vendor, as lessor, and the Railroad, as lessee, and the Railroad is purchasing the Equipment pursuant to its options to purchase the same under the Leases.

2.2. From and after the expiration of each Lease covering the Items of Equipment set forth in Schedule A hereto, the Railroad shall bear the risk of loss or damage of each Item of Equipment covered under each such expired Lease.

SECTION 3. PURCHASE PRICE AND PAYMENT.

3.1. The price per Item of Equipment exclusive of interest, insurance and all other charges (the "Purchase Price"), is as set forth in Schedule A attached hereto, provided, however, that the aggregate Purchase Price of all Items shall not exceed \$2,559,591.

3.2. For the purpose of making settlement for the Equipment, all Items of Equipment shall be divided into not more than two groups of Equipment (each such group of Equipment being hereinafter called a "Group").

3.3. The Railroad hereby acknowledges itself to be indebted to the Vendor in the amount of, and hereby promises to pay to the Vendor at such bank or trust company in the United States of America as the Vendor shall designate for payment to it, an amount for each Item of Equipment in each Group equal to 100% of the Purchase Price, as stated in the Vendor's invoice or invoices presented in respect of such Item of Equipment (herein sometimes called the "Conditional Sale Indebtedness") plus interest on the unpaid balance thereof at the rate per annum provided in Section 3.7 hereof, payable in ten (10) semiannual installments, each in the amount of 10% of the Conditional Sale Indebtedness, plus accrued interest at the rate per annum provided in Section 3.7 hereof, payable on February 1, 1981 and on the first day of each August and February thereafter to and including August 1, 1985.

3.4. The term "Closing Date" with respect to each Group shall mean such business day as described in Schedule A attached hereto, which is not more than ten business days following presentation by the Vendor to the Railroad of the invoice, or invoices with respect to such Group, as shall be fixed by the Railroad by written or telegraphic notice delivered to the Vendor and any assignee of the Vendor at least five business days prior to each Closing Date designated therein, or such other date as shall be agreed upon by the Vendor, the Investor, and the Railroad. The Second Closing Date so designated by the Railroad shall be not later than August 29, 1980.

3.5. The term "business day" as used herein means a calendar day during which the main office of the Investor in Chicago, Illinois is open for business, provided that the term "business day" as used in Section 3.7(a)(4) hereof shall mean a calendar day during which both said main office of the Investor and the offices of banking houses in London, England are open for business.

3.6. Anything herein to the contrary notwithstanding, the Railroad will pay interest upon all unpaid balances of indebtedness and (to the extent legally enforceable) upon interest, after the same shall have become due and payable pursuant to the terms

hereof, at a rate per annum determined by adding 1% to the rate in effect immediately prior to such indebtedness having become due.

3.7. (a) For purposes of this Agreement, the following terms shall have the respective meanings set forth below:

(1) The term "Interest Periods" shall mean the period commencing from the First Closing Date (as described in Schedule A hereto) through October 31, 1980, both inclusive, and each of the quarterly periods commencing November 1, 1980 and on the first day of each February, May, August and November thereafter;

(2) The term "Prime Rate" of interest applicable to any Interest Period shall mean that per annum rate of interest announced by the Investor to be in effect on the second business day preceding the first day of such Interest Period as its prime commercial lending rate for 90 day unsecured domestic loans;

(3) The term "Prime-Based Rate" shall mean: (i) with respect to any Interest Period commencing prior to August 1, 1982, a rate per annum equal to the Prime Rate and (ii) with respect to any Interest Period commencing on and after August 1, 1982, a rate per annum equal to 103% of the Prime Rate;

(4) The term "LIBOR Rate" applicable to any Interest Period shall mean that rate of interest as finally determined by the Investor to be that rate of interest at which the London, England branch of the Investor offers deposits of United States dollars in an amount not less than the outstanding Conditional Sale Indebtedness for a period of one quarterly period in the London, England interbank market as of 10:00 A.M., New York standard time, on the second business day preceding the first day of such Interest Period;

(5) The term "LIBOR-Based Rate" shall mean any amounts required to be paid pursuant to Section 3.7 (d) hereof, plus: (i) with respect to any Interest Period commencing prior to August 1, 1982 a rate per annum determined by adding one-half of 1% to the LIBOR Rate, and (ii) with respect to Interest Periods commencing on and after August 1, 1982 a rate per annum determined by adding three-quarters of 1% to the LIBOR Rate; and

(6) The term "Automatic Rate" for any Interest Period shall mean the LIBOR-Based Rate or Prime-Based Rate, whichever is higher during such Interest Period.

(b) The Conditional Sale Indebtedness shall bear interest for and during each Interest Period prior to maturity at the

Automatic Rate, unless the Railroad shall have notified the Investor by telephonic or telegraphic notice at least one business day prior to the commencement of such Interest Period (and the Railroad shall have confirmed such notice by delivering written confirmation to the Investor within five business days after such telegraphic or telephonic notice) of its election to have the Conditional Sale Indebtedness bear interest at the Prime-Based Rate or, subject to the provisions of Sections 3.7(c) and (d) hereof, the LIBOR-Based Rate, in which event the Conditional Sale Indebtedness shall bear interest during such Interest Period at the rate specified in such notice.

(c) In the event that:

(i) the Investor reasonably determines that deposits of U. S. Dollars of the required amount are not available to it in the London interbank market, or

(ii) any applicable statute, treaty, or regulation of any appropriate jurisdiction shall make it unlawful for the Investor to make or continue to maintain loans hereunder based on a LIBOR-Based Rate or to make borrowings in the London interbank market to fund such loans, or

(iii) if any central bank or other fiscal authority having jurisdiction over the Investor or such loans shall require the Investor to comply with restrictions (whether or not having the force of law) which seek to prohibit the Investor from making or continuing to maintain such loans hereunder,

then the Conditional Sale Indebtedness shall bear interest for and during each subsequent Interest Period at the Prime-Based Rate until after such objections or conditions are changed or removed.

(d) In the event that any new or existing statute, treaty, or regulation shall:

(i) impose, modify or deem applicable any reserve and/or special deposit requirement against assets held by or deposits in or for the account of any loans by the Investor bearing interest at a rate based upon the LIBOR Rate; or

(ii) subject the Investor to any tax (including without limitation any United States interest equalization or similar tax, however named), duty, charge, fee, deduction or withholding with respect to such loans; or

(iii) change the basis of taxation of payments due from the Railroad with respect to such loans hereunder (otherwise than by a change in taxation of the overall net income of the Investor); or

(iv) impose on the Investor any premium or penalty with respect to any of the foregoing or any other monetary condition with respect to such loans,

the Investor shall give the Railroad notice of such event, and thereafter the Railroad may continue to elect to have the Conditional Sale Indebtedness bear interest at the LIBOR-Based Rate only if it pays the additional cost to the Investor, as reasonably determined by the Investor, and if such loans and their maintenance continue to be lawful.

(e) Interest under this Agreement shall be determined on the basis of a year of 365 or 366 days, as the case may be.

3.8. All payments provided for in this Agreement shall be made by the Railroad in such coin or currency of the United States of America as at the time of payment shall be legal tender for the payment of public and private debts. All payments of installments of the Conditional Sale Indebtedness and/or interest thereon and all payments due pursuant to Section 6 hereof shall be made prior to 11:00 A.M. Chicago time by wire transfer of Federal funds to such bank in the United States for the account of the Vendor or its assignee as the Vendor or its assignee shall from time to time direct the Railroad in writing. If any payment provided for in this Agreement falls due on any day which is not a business day, such payment shall be due and payable on the most recent preceding day which is a business day.

3.9. (a) In addition to the prepayments provided for in Section 6 hereof, upon notice as provided in Section 3.9(c) hereof, the Railroad shall have the privilege, but subject to the limitations expressed in Section 3.9(b) hereof, of prepaying the Conditional Sale Indebtedness, either in whole or in part (but if in part then in units of \$100,000 or an integral multiple of \$10,000 in excess thereof) by payment of the principal amount of the Conditional Sale Indebtedness or portion thereof to be prepaid and accrued interest thereon to the date of such prepayment.

(b) The Conditional Sale Indebtedness may be prepaid as follows:

(1) With respect to any Interest Period during which the Conditional Sale Indebtedness bears interest at the Prime-Based Rate, the Conditional Sale Indebtedness may be prepaid at any time; and

(2) With respect to any Interest Period during which the Conditional Sale Indebtedness bears interest at the LIBOR-Based Rate, the Conditional Sale Indebtedness may be prepaid only upon an installment maturity date referred to in Section 3.3 hereof.

(c) The Railroad will give the Vendor notice in writing of any prepayment of the Conditional Sale Indebtedness not less than 5 business days prior to the date for such prepayment, specifying (i) such date, (ii) the principal amount of the Conditional Sale Indebtedness to be prepaid on such date, and (iii) the accrued interest applicable to the prepayment. Notice of prepayment having been so given, the aggregate principal amount of the Conditional Sale Indebtedness specified in such notice and accrued interest thereon shall become due and payable on the prepayment date.

SECTION 4. TITLE TO THE EQUIPMENT.

4.1. The Vendor shall and hereby does retain the full security title to and property in the Equipment and the Railroad hereby grants a security interest to the Vendor in and to the Equipment (hereinafter sometimes collectively referred to as "security title") until the Railroad shall have made all of the payments hereunder and shall have kept and performed all its agreements herein contained, notwithstanding the possession and use of the Equipment by the Railroad as herein provided. Any and all additions to the Equipment (not including, however, any parts installed on and additions to any Item of Equipment, any portion of whose cost is furnished by the Railroad and which are readily removable without causing material damage to such Item of Equipment, but including parts installed on and replacements made to any Item of Equipment which constitute ordinary maintenance and repairs made by the Railroad pursuant to Section 9 hereof) and any and all replacements of the Equipment and of parts thereof shall constitute accessions to the Equipment and shall be subject to all terms and conditions of this Agreement and included in the term "Equipment" as used in this Agreement.

4.2. Except as provided in Section 4.3, when and only when the Vendor shall have been paid the full indebtedness in respect of the Purchase Price of the Equipment, together with interest and all other payments as herein provided and all the Railroad's other obligations herein contained shall have been performed, absolute right to the possession of, title to and property in such Equipment shall pass to and vest in the Railroad without further transfer or action on the part of the Vendor, except that the Vendor, if requested by the Railroad so to do, will execute a bill or bills of sale of such Equipment releasing its security title thereto and property therein to the Railroad or upon its order free of all liens and encumbrances created or retained hereby and deliver such bill or bills of sale to the Railroad at its address specified in Section 20 hereof, and will execute in the same manner and deliver at the same place, for filing, registering, recording or depositing in all necessary public offices, such instrument or instruments in writing as may be necessary or appropriate in order then to make clear upon the public records the title of the Railroad to such Equipment, and will pay to the Railroad any money paid to the Vendor, pursuant to Section 6.1 hereof and not theretofore applied as provided in Section 6.2

hereof. The Railroad hereby waives and releases any and all rights, existing or that may be acquired, in or to the payment of any penalty, forfeit or damages for failure to execute and deliver such bill or bills of sale or to file any certificate of payment in compliance with any law or statute requiring the filing of the same, except for failure to execute and deliver such bills or bills of sale or to file such certificate within a reasonable time after written demand by the Railroad.

4.3. Subject to the limitations expressed in Section 3.9 hereof, the Railroad may sell or otherwise dispose of any Items of Equipment provided that the Railroad shall have paid to the Vendor for such Items the Casualty Payment as defined in Section 6.3 hereof. The Vendor shall prepare, at its own expense, such documents as shall be reasonably necessary to convey title for such Items to the Railroad clear of any and all interests of the Vendor.

SECTION 5. MARKING OF EQUIPMENT.

5.1. The Railroad will at its own expense cause each Item of Equipment to be kept numbered with its road number as set forth in Schedule A hereto and will keep and maintain, plainly, distinctly, permanently and conspicuously marked by a plate or stencil printed in contrasting color upon both sides of each Item of Equipment in letters not less than one inch in height, the words "Title to This Unit is Subject to Documents Recorded with the Interstate Commerce Commission" or other appropriate markings, with appropriate changes thereof and additions thereto as from time to time may be required by law in order to protect the security title of the Vendor to such Item of Equipment, its rights under this Agreement and the rights of any assignee under Section 14 hereof. The Railroad will not exercise any control or dominion over any Item of Equipment until the required legend shall have been so marked on both sides thereof and will replace promptly any such names and word or words which may be removed, defaced or destroyed. The Railroad will not change the road number of any Item of Equipment except in accordance with a statement of new road numbers to be substituted therefor, which statement previously shall have been filed with the Vendor by the Railroad and filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited.

5.2. Except as above provided, the Railroad will not allow the name of any person, association or corporation to be placed on the Equipment as a designation that might be interpreted as a claim of ownership; provided, however, that the Railroad may cause the Equipment to be lettered with the names or initials or other insignia customarily used by the Railroad or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of the Railroad to use the Equipment under this Agreement.

SECTION 6. CASUALTY OCCURRENCES.

6.1. In the event that any Item of Equipment shall be or become lost, stolen, destroyed, or irreparably damaged (including any Item lost, stolen, destroyed or irreparably damaged prior to each Closing Date), or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise (each such occurrence, except for any requisition which by its terms is indefinite or does not exceed the original term of this Agreement, being hereinafter called a "Casualty Occurrence"), prior to the payment of the indebtedness in respect of the purchase price of such Item, together with interest thereon and all other payments required hereby, the Railroad shall, within fifteen days after it shall have been determined that such Item of Equipment has suffered a Casualty Occurrence, fully inform the Vendor in regard thereto. The Railroad shall, on the semiannual payment date next succeeding the date of such determination, pay to the Vendor a sum equal to the Casualty Payment (as defined in Section 6.3 hereof) of such Item of Equipment as of the date of such payment and shall file with the Vendor a certificate of a Vice President or the Comptroller or other Chief Accounting Officer of the Railroad setting forth the Casualty Payment of the Item of Equipment suffering a Casualty Occurrence.

6.2. Any money paid to the Vendor pursuant to Section 6.1 hereof shall, so long as no Event of Default shall have occurred and be continuing, be applied, in whole or in part, as the Railroad shall direct in a written instrument filed with the Vendor, to prepay indebtedness in respect of the Purchase Price of the Equipment hereunder or to or toward the cost of an Item or Items of Equipment of railroad equipment which shall be of the same character as the Equipment described in Schedule A hereto to replace such Item of Equipment having suffered a Casualty Occurrence and which new Item or Items of Equipment shall be of a quality and have a value and utility at least equal to such Item of Equipment having suffered a Casualty Occurrence, as the Railroad shall direct in such written instrument. In case any such money shall be applied to prepay indebtedness, it shall be so applied, on the first date set for the payment of an installment (consisting of either principal or interest on) of the Conditional Sale Indebtedness next following receipt by the Vendor of such written direction, to prepay installments of the Conditional Sale Indebtedness thereafter falling due in the inverse order of their maturities, but without premium, and whether or not such amount shall be sufficient to prepay one or more entire installments (or portions thereof) of the Conditional Sale Indebtedness. In case of replacement the amount to be paid by the Vendor in respect of any replacing Item shall not exceed the lesser of the cost of such Item or the amount which such Item would have cost if acquired on the earliest date when any of such money was paid to the Vendor, and the Railroad shall pay any additional cost of such Item. The amount which any such replacing Item would have cost if acquired on the earliest date when any of such money was paid to the Vendor shall be conclusively determined by the certificate of a Vice President or the Comptroller or other Chief Accounting Officer of the Railroad to be filed as hereinafter provided.

6.3. The payment to be made to the Vendor in respect of each Item of Equipment having suffered a Casualty Occurrence (the "Casualty Payment") shall be deemed to be that portion of the original Purchase Price thereof remaining unpaid on the date as of which such Casualty Payment shall be made, plus interest accrued thereon but unpaid as of such date.

6.4. Any money paid to the Vendor pursuant to this Section 6, if the Railroad shall have directed pursuant to Section 6.2 that such money be applied toward the cost of a new Item of Equipment, shall be deposited by the Vendor with a bank or trust company satisfactory to the Vendor and under an agreement (the "Escrow Agreement") satisfactory to the Vendor. Under the Escrow Agreement, such bank or trust company (the "Escrow Agent") will agree to hold such money for the benefit of the Vendor, pending its application as provided in Sections 6.2, 6.5, and 6.6, and will agree to be bound by provisions substantially similar to this Section 6.4. So long as no Event of Default shall have occurred and be continuing, any money so held by the Escrow Agent shall, if the Railroad shall in writing so direct, be invested, pending its application as hereinabove provided, in (i) such direct obligations of the United States of America or obligations for which the faith of the United States is pledged to provide for the payment of principal and interest or (ii) open market commercial paper given the highest rating by a national credit agency or (iii) in certificates of deposit of commercial banks in the United States of America having capital and surplus aggregating at least \$50,000,000, in each case maturing in not more than one year from the date of such investment (all such investments being hereinafter called "Investments"), as may be specified in such written direction. Any such Investments shall from time to time be sold and the proceeds reinvested in such Investments as the Railroad may in writing direct. Any interest or earned discount received by the Escrow Agent on any Investments shall be held by the Escrow Agent and applied as herein provided. Upon any sale or the maturity of any Investments, the proceeds thereof, plus any interest received by the Escrow Agent thereon, up to the cost (including accrued interest or earned discount) thereof, shall be held by the Escrow Agent for application pursuant to this Section 6, and any excess shall be paid to the Railroad. If such proceeds (plus such interest or earned discount) shall be less than such cost, the Railroad will promptly pay to the Escrow Agent an amount equal to such deficiency. The Railroad will pay all expenses incurred by the Escrow Agent in connection with its functioning as Escrow Agent and with the purchase and sale of Investments.

6.5. The Railroad will cause any replacing Item to be plated or marked as provided in Section 5.1 hereof. Any and all such replacement of Equipment shall constitute accessions to the Equipment and shall be subject to all of the terms and conditions of this Agreement as though part of the original Equipment delivered hereunder and shall be included in the term "Equipment" as used in this Agreement. Title to all such replacements shall be free and clear of all liens and encumbrances and shall be taken initially

and shall remain in the name of the Vendor subject to the provisions hereof, and the Railroad shall promptly execute, acknowledge, deliver, file and record all such documents (including the filing with the Interstate Commerce Commission in accordance with 49 U.S.C. §11303) and do any and all such acts as may be necessary to cause such replacements to come under and be subject to this Agreement and to protect the title of the Vendor to such replacements. All such replacements shall be warranted in like manner as the Items replaced, and the vendor of the replacements shall, if other than the Vendor, duly consent to the subjection thereof to this Agreement and agree to be bound by all the terms and provisions contained herein in respect of such replacements in like manner as the Vendor is in respect of the original Equipment delivered hereunder.

6.6. Whenever the Railroad shall file with the Vendor, pursuant to the foregoing provisions of this Section 6, a written direction to apply money to or toward the cost of a replacing Item of new railroad equipment, the Railroad shall file therewith in such number of counterparts as may reasonably be requested:

(a) a certificate of a Vice President or a Comptroller or other Chief Accounting Officer of the Railroad certifying that such replacing Item has been plated or marked as required by the provisions of this Section 6 and certifying the cost of such replacing unit, the amount which such replacing Item would have cost if acquired on the earliest date when any such money was paid to the Vendor and that the cost thereof does not exceed the fair value of such Item and that such replacing Item is of a quality and has a value and utility at least equal to the Item replaced; and

(b) an opinion of counsel for the Railroad that security title to such replacing Item is validly vested in the Vendor free and clear of all claims, liens and encumbrances (other than the security title of Vendor herein created by this Agreement), and that such Item has come under and become subject to this Agreement, and that no other filing or recordation is necessary for the protection of the rights of the Vendor in the United States of America.

6.7. If an Event of Default shall have occurred and be continuing, then so long as such Event of Default shall continue all money then held by the Vendor pursuant to this Section 6 shall be applied by the Vendor as if such money were money received upon the sale of Equipment pursuant to Section 16 hereof.

6.8. In order to facilitate the sale or other disposition of any Equipment suffering a Casualty Occurrence, the Vendor shall, upon request of the Railroad, after deposit by the Railroad of a sum equal to the Casualty Payment of such Equipment, execute and deliver to the Railroad's vendee, assignee or nominee, a bill of sale (without warranties) for such Equipment, and such other documents as

may be required to release such Equipment from the terms and scope of this Conditional Sale Agreement, in such form as may be reasonably requested by the Railroad.

6.9. In the event that prior to the expiration of the term of this Agreement, the use of any Item of Equipment is requisitioned or taken by any governmental authority under the power of eminent domain or otherwise for an indefinite period or for a stated period ending on or before said date, the Railroad's duty to pay the indebtedness in respect of the purchase price thereof shall continue for the duration of such requisitioning or taking. The Railroad shall be entitled to receive and retain for its own account all sums payable for any such period by such governmental authority as compensation for requisition or taking of possession.

SECTION 7. TAXES.

All payments to be made by the Railroad hereunder will be free of expense to the Vendor for collection or other charges and will be free of expense to the Vendor in respect of the amount of any local, state or federal taxes, license and registration fees, assessments, charges, fines, penalties, sales, use and property taxes, gross receipts taxes arising out of receipts from use or operation of the Equipment, and other taxes, fees and governmental charges similar or dissimilar to the foregoing (other than net income, excess profits and similar taxes) hereafter levied or imposed upon, or measured by, this Agreement or any sale, use, payment, shipment, delivery or transfer of title under the terms hereof, all of which expenses, taxes and licenses the Railroad assumes and agrees to pay on demand in addition to the indebtedness in respect of the purchase price of the Equipment. The Railroad will also pay promptly all taxes and assessments which may be imposed upon the Equipment or for the use or operation thereof by the Railroad or upon the earnings arising therefrom or upon the Vendor solely by reason of its ownership thereof and will keep at all times all and every part of the Equipment free and clear of all taxes and assessments which might in any way affect the title of the Vendor or result in a lien upon any Item of Equipment; provided, however, that the Railroad shall be under no obligation to pay any taxes, assessments, licenses, charges, fines or penalties of any kind so long as it is contesting in good faith and by appropriate legal proceedings such taxes, assessments, licenses, charges, fines or penalties and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder. If any such expenses, taxes, assessments, licenses, charges, fines or penalties shall have been charged or levied against the Vendor directly and paid by the Vendor, the Railroad shall reimburse the Vendor on presentation of invoice therefor; provided, however, that the Railroad shall not be obligated to reimburse the Vendor for any expenses, taxes, assessments, licenses, charges, fines or penalties so paid unless the Vendor shall have been legally liable with respect thereto as evidenced by an opinion of counsel for the Vendor or unless the Railroad shall have approved the payment thereof.

SECTION 8. REPORTS AND INSPECTIONS.

8.1. On or before May 1 in each year, commencing with the year 1981, the Railroad will furnish to the Vendor an accurate statement, as of the preceding December 31, (a) showing the amount, description and numbers of the Items of Equipment then subject to this Agreement, the amount, description and numbers of all Items of Equipment that may have suffered a Casualty Occurrence during the preceding 12 months (or since the date of this Agreement, in the case of the first such statement), and such other information regarding the condition or repair of the Equipment as the Vendor may reasonably request, and (b) stating that, in the case of all Equipment repainted during the period covered by such statement, the markings required by Section 5.1 hereof shall have been preserved or replaced.

8.2. The Vendor shall have the right, at its sole cost and expense by its authorized representative, to inspect the Equipment and the Railroad's records with respect thereto, at such times as shall be reasonably necessary to confirm to the Vendor the existence and proper maintenance thereof during the continuance of this Agreement.

SECTION 9. POSSESSION, USE AND MAINTENANCE.

9.1. The Railroad, so long as it shall not be in default under this Agreement, shall be entitled, from and after each Closing Date, to the possession of the Equipment purchased on that Closing Date and the use thereof by it and any affiliate of the Railroad upon the lines of railroad owned or operated by any such affiliate or by it either alone or jointly with another and whether under lease or otherwise, or upon the lines of railroad owned or operated by any company controlled by or controlling the Railroad, or over which it or any such affiliate has trackage rights, or run through or operating agreements, including the possession and use of the Equipment upon connecting and other carriers in the usual interchange of traffic (without notice to the Vendor), provided, however, that the Railroad shall not assign or permit the assignment of any Item of Equipment to service involving the regular operation and maintenance thereof outside the continental United States. The Railroad may lease the Equipment to an affiliate (or to another party upon the consent of the Vendor, such consent not to be unreasonably withheld) but only upon and subject to all the terms and conditions of this Agreement and provided that no such lease shall relieve the Railroad of any liability or obligations hereunder which shall be those of a principal and not a surety.

9.2. The Railroad shall use the Equipment only in the manner for which it was designed and intended and so as to subject it only to ordinary wear and tear. The Railroad shall, at its own cost and expense, maintain and keep the Equipment in good order, condition and repair, ordinary wear and tear excepted. The Railroad shall not modify any Item of Equipment so as to decrease

its usefulness or value without the written authority and approval of the Vendor which shall not be unreasonably withheld, provided that no such approval shall be required if and to the extent such modification is required by Section 11 hereof. Except as provided in Section 4.1 hereof, any parts installed or replacements made by the Railroad upon any Item of Equipment shall be considered accessions to such Item of Equipment and title thereto shall be immediately vested in the Vendor, without cost or expense to the Vendor.

SECTION 10. PROHIBITION AGAINST LIENS.

10.1. The Railroad will pay or satisfy and discharge any and all sums claimed by any party by, through or under the Railroad or its affiliates, successors or assigns which, if unpaid, might become a lien or a charge upon any Item of Equipment equal or superior to the security title of the Vendor, and any liens, encumbrances or charges which might be levied against or imposed upon any Item of Equipment as a result of the failure of the Railroad to perform or observe any of its covenants or agreements under this Agreement, but shall not be required to pay or discharge any such claim so long as the validity thereof shall be contested by the Railroad in good faith and by appropriate legal proceedings in any reasonable manner and the nonpayment thereof does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder.

10.2. This covenant will not be deemed breached by reason of liens for taxes, assessments or governmental charges or levies, in each case not due and delinquent, or undetermined or inchoate materialmen's, mechanics', workmen's, repairmen's or other liens arising in the ordinary course of business and, in each case, not delinquent (such liens being herein called "permitted liens").

SECTION 11. RULES, LAWS AND REGULATIONS.

During the term of this Agreement the Railroad will comply in all respects with all laws of the jurisdictions in which its operations involving the Equipment may extend, with the Interchange Rules of the Association of American Railroads and with all lawful rules of the United States Department of Transportation and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment, to the extent that such laws and rules affect the operation or use of the Equipment; and in the event that such laws or rules require the alteration of the Equipment, the Railroad will conform therewith at its expense, and will maintain the same in proper condition for operation under such laws and rules; provided, however, that the Railroad may, in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the opinion of the Vendor, adversely affect the property or rights of the Vendor hereunder.

SECTION 12. INDEMNITIES.

12.1. The Railroad agrees to indemnify, protect and hold harmless the Vendor and the Investor against all losses, damages, injuries, liabilities, claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including claims for strict liability in tort and counsel fees, arising out of retention by the Vendor and the Investor of security title to the Equipment, or out of the use and operation thereof during the period when security title thereto remains in the Vendor and the Investor. This covenant of indemnity shall continue in full force and effect notwithstanding the full payment of the indebtedness in respect of the Purchase Price of the Equipment and the conveyance of the Equipment as provided in Section 4.2 hereof, or the termination of this Agreement in any manner whatsoever.

12.2. As between the Vendor and the Railroad, the Railroad, from and after the expiration of each Lease covering the Items of Equipment described in Schedule A hereto, will bear the risk of, and shall not be released from its obligations hereunder in the event of, any damage to or the destruction or loss of any Item or of all the Equipment covered under any such expired Lease.

12.3. THE VENDOR SELLS THIS EQUIPMENT, AS-IS, WHERE IS, IN WHATEVER CONDITION IT MAY BE, WITHOUT ANY AGREEMENT, WARRANTY OR REPRESENTATION, EITHER EXPRESSED OR IMPLIED, BY THE VENDOR, THE VENDOR EXPRESSLY DISCLAIMING ANY WARRANTY OR REPRESENTATION EITHER EXPRESSED OR IMPLIED, AS TO (A) THE FITNESS FOR ANY PARTICULAR PURPOSE OR MERCHANTABILITY OF ANY ITEM OR ITEMS OF EQUIPMENT INCLUDING BUT NOT LIMITED TO THEIR VALUE, CONDITION, DESIGN OR OPERATION, (B) THE RECEIPT BY THE RAILROAD OF THE EQUIPMENT, (C) THE DESIGN OR CONDITION OF, OR THE QUALITY OF THE MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE EQUIPMENT, OR (D) ANY OTHER MATTER WHATSOEVER, IT BEING AGREED THAT ALL SUCH RISKS, AS BETWEEN THE VENDOR AND THE RAILROAD, ARE TO BE BORNE BY THE RAILROAD.

SECTION 13. PATENT INDEMNITIES.

13.1. The Railroad agrees to indemnify, protect and hold harmless the Vendor from and against any and all liability, claims, demands, costs, charges and expenses, including royalty payments and counsel fees, in any manner imposed upon or accruing against Vendor because of the use in or about the construction or operation of any Item of Equipment, of any design, article or material which infringes or is claimed to infringe on or constitute contributing infringement with respect to any patent or other right.

13.2. The term "design" wherever used in this Agreement or in any assignment of this Agreement shall be deemed to include formulae, systems, processes and combinations.

SECTION 14. PURCHASE OF VENDOR'S RIGHT, SECURITY TITLE AND INTEREST BY INVESTOR

14.1. Concurrently with the execution and delivery of this Conditional Sale Agreement and Assignment, the Investor is agreeing with the Vendor to acquire from the Vendor its right, security title and interest under this Conditional Sale Agreement and Assignment. Accordingly, the Vendor hereby assigns, transfers and sets over unto the Investor, its successors and assigns upon payment by the Investor of the Conditional Sale Indebtedness:

(a) All the right, security title and interest of the Vendor in and to each Item of Equipment;

(b) All the right, title and interest of the Vendor in and to this Conditional Sale Agreement and Assignment (except the right to receive the payments specified in Sections 13 and 14.6 hereof), and in and to any and all amounts which may be or become due or owing to the Vendor under this Conditional Sale Agreement and Assignment on account of the indebtedness in respect of the Purchase Price of the Equipment and interest thereon, and in and to any other sums becoming due from the Railroad under this Conditional Sale Agreement and Assignment, other than those hereinabove excluded; and

(c) Except as limited above in subparagraph (b) hereof, all of the Vendor's rights, powers, privileges and remedies under this Conditional Sale Agreement and Assignment;

without any recourse, however, against the Vendor for or on account of the failure of the Railroad to make any of the payments provided for in, or otherwise to comply with, any of the provisions of this Conditional Sale Agreement and Assignment; provided, however, that the execution and delivery of this assignment shall not modify the obligations of the Vendor under Sections 12.3 and 14.3 hereof or relieve the Railroad from its obligations to the Vendor under Sections 2, 12.2 and 14.6 hereof, it being understood and agreed that notwithstanding this assignment or any subsequent assignment pursuant to the provisions of Section 14.5 of this Conditional Sale Agreement and Assignment, all obligations of the Vendor, if any, to the Railroad shall be and remain enforceable by the Railroad, its successors and assigns, against and only against the Vendor. In furtherance of the foregoing assignment and transfer, the Vendor hereby authorizes and empowers the Investor in the Investor's name, or in the name of the Investor's nominee, or in the name of and as attorney, hereby irrevocably constituted, for the Vendor

to ask, demand, sue for, collect, receive and enforce any and all sums to which the Investor is or may become entitled under this Conditional Sale Agreement and Assignment and compliance by the Railroad with the terms and agreements on its part to be performed under this Conditional Sale Agreement and Assignment, but at the expense and liability and for the sole benefit of the Investor.

14.2. The Investor accepts the foregoing assignment and transfer from Vendor and in consideration therefor hereby promises to pay to Vendor the Conditional Sale Indebtedness subject to the provisions of this Conditional Sale Agreement and Assignment.

14.3. (a) The Vendor warrants to the Investor and the Railroad that on or prior to each Closing Date under this Conditional Sale Agreement and Assignment it will have legal title to each Item of Equipment and good and lawful right to sell such Item and its title to such Item is free of all claims, liens and encumbrances of any nature except any liens or encumbrances created by the Railroad and the right of Vendor to receive payment of its Purchase Price therefor and the rights of the Railroad under this Conditional Sale Agreement and Assignment; and the Vendor further covenants and agrees that it will defend the title to such Item against the demands of all persons whomsoever based on claims originating prior to each Closing Date and will indemnify and hold the Investor and the Railroad harmless against any loss or damage suffered by reason of any claim, lien or encumbrance upon such Item originating prior to each Closing Date; all subject, however, to the provisions of this Conditional Sale Agreement and Assignment and the rights of the Railroad hereunder. The Vendor further agrees to deliver to the Investor and the Railroad on or prior to each such Closing Date an opinion of outside counsel, addressed to the Railroad and the Investor to the effect that any and all such liens, claims and encumbrances existing with respect to all the Equipment have been fully discharged and satisfied.

(b) The Vendor covenants and agrees with the Investor that in any suit, proceeding or action brought by the Investor under this Conditional Sale Agreement and Assignment for any installment of, or interest on, indebtedness in respect of the Purchase Price of the Equipment or to enforce any provision of this Conditional Sale Agreement and Assignment, the Vendor will indemnify, protect and hold harmless the Investor from and against all expense, loss or damage suffered by reason of any defense, set-off, counterclaim or recoupment whatsoever of the Railroad arising out of a breach by the Vendor of its obligations with respect to the Equipment. The Vendor's obligation so to indemnify, protect and hold harmless the Investor is conditional upon (a) the Investor's timely motion or

other appropriate action to strike any defense, set-off, counterclaim or recoupment asserted by the Railroad in any such suit, proceeding or action and (b) if the court or other body having jurisdiction in such suit, proceeding or action denies such motion or other action and accepts such defense, set-off, counterclaim or recoupment as a triable issue in such suit, proceeding or action, the Investor's prompt notification to the Vendor of the asserted defense, set-off, counterclaim or recoupment and the Investor's giving the Vendor the right, at the Vendor's expense, to compromise, settle or defend against such defense, set-off, counterclaim or recoupment. Any and all such obligations shall be and remain enforceable by the Railroad against and only against the Vendor and shall not be enforceable against the Investor or any party or parties in whom security title to the Equipment or any Item thereof or any of the rights of the Vendor under this Conditional Sale Agreement and Assignment shall vest by reason of this assignment or of successive assignments. The Investor will give notice to the Vendor of any suit, proceeding or action by or against the Investor herein described.

14.4. The Railroad hereby acknowledges that concurrently with the execution and delivery of this Conditional Sale Agreement and Assignment and the delivery to, and acceptance by, the Railroad of the Equipment, the Vendor is hereby assigning all of its right, security title and interest in and to each Item of Equipment and this Conditional Sale Agreement and Assignment all as more fully provided in Section 14.1 hereof. The Railroad expressly acknowledges and agrees with the Investor and its successors and assigns, for the purpose of inducing the execution and delivery of this Conditional Sale Agreement and Assignment and the Finance Agreement by the Investor and its advance to the Vendor in consideration of the Vendor's assignment hereof of Conditional Sale Indebtedness payable in respect of the Equipment, that the rights of the Investor and its successors and assigns to the entire unpaid indebtedness in respect of the Purchase Price of the Equipment or any part thereof as so assigned, together with interest thereon, as well as all other rights hereunder so assigned, shall not be subject to any defense, set-off, counterclaim or recoupment whatsoever, whether by reason of the nonreceipt by the Railroad of any Item or Items of Equipment or any breach of any obligation of the Vendor with respect to the Equipment or the delivery or warranty thereof or with respect to any indemnity herein contained or any interruption from whatsoever cause in the use, operation or possession of the Equipment or any part thereof, or any damage to or loss or destruction of the Equipment or any part thereof whether before or after each Closing Date, or by reason of any other indebtedness or liability, howsoever and when arising, at any time owing to the Railroad by the Vendor or to any

other person, firm or corporation or to any governmental authority, or for any cause whatsoever, it being the intent hereof that the Railroad shall be unconditionally and absolutely obligated to pay the Investor the entire unpaid indebtedness in respect of the Purchase Price of the Equipment as so assigned, together with interest thereon, all in the manner and upon the dates set forth in Section 3.3 hereof and as otherwise provided herein.

14.5. In the event of any successive assignment by the Investor of security title to the Equipment and of the Investor's rights hereunder with respect thereto, the Railroad will, whenever reasonably requested by such assignee, change the names and word or words to be marked on each side of each Item of Equipment so as to indicate the security title of such assignee to the Equipment with such names and word or words as shall be specified by such assignee, subject to the requirements of the laws of the jurisdictions in which the Equipment shall be operated relating to such names and word or words for use on equipment covered by conditional sale agreements with respect to railroad equipment. The cost of marking such names and word or words with respect to any successor assignee shall be borne by the Railroad.

14.6. If the Investor shall not make payment on each Closing Date with respect to each Group of the Purchase Price of such Items of Equipment included in each Group as provided in the Finance Agreement, the Vendor will promptly notify the Railroad of such event, such Items of Equipment included in each Group shall then be excluded and the Railroad shall not later than 60 days after each Closing Date pay or cause to be paid the Purchase Price (together with interest thereon at the rate per annum announced by The Northern Trust Company, Chicago, Illinois as its prime commercial lending rate for 90 day unsecured loans plus 2% (with any change in such interest rate resulting from a change in such prime rate to be and become effective as of and on the day following the relevant change in such prime rate)) of all such Items of Equipment unpaid by the Investor, such payment to be in cash or if the Vendor and the Railroad shall mutually agree, by means of a conditional sale agreement, equipment trust or other appropriate method of financing as the Railroad shall determine and as may be reasonably satisfactory to the Vendor.

SECTION 15. DEFAULTS.

15.1. In the event that any one or more of the following events of default ("Events of Default") shall occur and be continuing, to-wit:

- (a) The Railroad shall fail to pay in full any sum payable by the Railroad when payment thereof shall be due under Section 3, 6 or 14.6 hereof and such default shall continue for five days; or

(b) The Railroad shall fail or refuse to comply with any covenant, agreement, term or provision of this Agreement on its part to be kept and performed or to make provision satisfactory to the Vendor for such compliance for more than 30 days after written notice from the Vendor specifying the default and demanding the same to be remedied; or

(c) Any representation or warranty made by the Railroad herein or in any statement or certificate furnished to the Vendor or any assignee of the Vendor pursuant to or in connection with this Agreement, or the Finance Agreement proves untrue in any material respect as of the date of issuance or making thereof; or

(d) A petition for reorganization under Title 11 of the United States Code, as now constituted or as hereafter amended, shall be filed by or against the Railroad and (unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective, but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Railroad under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees within 30 days after such appointment or 60 days after such petition shall have been filed, whichever shall be earlier; or

(e) Any other proceedings shall be commenced by or against the Railroad for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the indebtedness payable hereunder) and (unless such proceedings shall have been dismissed, nullified, stayed or otherwise rendered ineffective but then only so long as such stay shall continue in force or such ineffectiveness shall continue) all the obligations of the Railroad under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for the Railroad or for the property of the Railroad in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, within 30 days

after such appointment or 60 days after such proceedings shall have been commenced, whichever shall be earlier; or

(f) The Railroad shall make or suffer any unauthorized assignment or transfer of this Agreement or any interest herein or any unauthorized transfer of the right to possession of any Item of the Equipment;

then at any time after the occurrence and during the continuance of such an Event of Default the Vendor may, upon written notice to the Railroad and upon compliance with any legal requirements then in force and applicable to such action by the Vendor, declare the entire indebtedness in respect of the Purchase Price of the Equipment, together with the interest thereon then accrued and unpaid, immediately due and payable, without further demand, and thereafter the aggregate of the unpaid balance of such indebtedness and interest shall bear interest from the date of such declaration at a rate of interest per annum determined by adding 1% to the rate in effect immediately prior to such declaration, to the extent legally enforceable, and the Vendor shall thereupon be entitled to recover judgment for the entire unpaid balance of the indebtedness in respect of the Purchase Price of the Equipment so payable, with interest as aforesaid, and to collect such judgment out of any property of the Railroad wherever situated.

15.2. The Vendor may waive any such Event of Default and its consequence and rescind and annul any such declaration by notice to the Railroad in writing to that effect. Upon any such waiver the respective rights of the parties shall be as they would have been if no such default had existed and no such declaration had been made. Notwithstanding the provisions of this paragraph, it is expressly understood and agreed by the Railroad that time is of the essence of this Agreement and that no such waiver, rescission or annulment shall extend to or affect any other or subsequent default or impair any rights or remedies consequent thereon.

SECTION 16. REMEDIES.

16.1. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided and during the continuance of such default, the Vendor shall have the rights, options, duties and remedies of a secured party, and the Railroad shall have the rights and duties of a debtor, under the Uniform Commercial Code of Illinois (regardless of whether such Code or a law similar thereto has been enacted in a jurisdiction wherein the rights or remedies are asserted) and without limiting the foregoing, the Vendor may exercise any one or more or all, and in any order, of the remedies hereinafter set forth, it being expressly understood that no remedy herein conferred is

intended to be exclusive of any other remedy or remedies; but each and every remedy shall be cumulative and shall be in addition to every other remedy given herein or now or hereafter existing at law or in equity or by statute. The Vendor may, upon such further notice, if any, as may be required for compliance with any mandatory requirements of law then in force and applicable to the action to be taken by the Vendor, take or cause to be taken by its agent or agents immediate possession of the Equipment, or any Item thereof, without liability to return to the Railroad any sums theretofore paid and free from all claims whatsoever, except as hereinafter in this Section 16 expressly provided, and may remove the same from possession and use of the Railroad and for such purpose may enter upon the premises of the Railroad or where the Equipment may be located and may use and employ in connection with such removal any supplies, services and aids and any available trackage and other facilities or means of the Railroad, with or without process of law.

16.2. In case the Vendor shall rightfully demand possession of the Equipment in pursuance of this Agreement and shall reasonably designate a point or points upon the lines of the Railroad for the delivery of the Equipment to the Vendor, the Railroad shall, at its own expense, forthwith and in the usual manner, cause the Equipment to be moved to such point or points as shall be reasonably designated by the Vendor and shall there deliver the Equipment or cause it to be delivered to the Vendor; and, at the option of the Vendor, the Vendor may keep the Equipment on any of the lines of railroad or premises of the Railroad, for a period not exceeding 180 days, until the Vendor shall have leased, sold or otherwise disposed of the same, and for such purpose the Railroad agrees to furnish without charge for rent or storage, the necessary facilities at any point or points selected by the Vendor and reasonably convenient to the Railroad. The agreement to deliver the Equipment as hereinbefore provided is of the essence of this Agreement between the parties, and, upon application to any court of equity having jurisdiction in the premises, the Vendor shall be entitled to a decree against the Railroad requiring specific performance hereof. The Railroad hereby expressly waives any and all claims against the Vendor and its agent or agents for damages of whatever nature in connection with any retaking of any Item of Equipment in any reasonable manner.

16.3. If an Event of Default shall have occurred and be continuing as hereinbefore provided, then at any time thereafter during the continuance of such default and after the entire indebtedness in respect of the Purchase Price of the Equipment shall have been declared immediately due and payable as hereinbefore provided (unless such declaration has been rescinded and annulled as provided in Section 15.2 hereof), (a) the Vendor (after retaking possession of the Equipment as hereinbefore in this Section 16 provided) may at its election retain the Equipment as its own and make such disposition thereof as the Vendor shall deem fit, and in such event all the Railroad's rights in the Equipment will thereupon terminate and, to the extent not prohibited by any mandatory requirements of law, all

payments made by the Railroad may be retained by the Vendor as compensation for the use of the Equipment by the Railroad; provided, however, that if the Railroad: (i) shall object in writing within 30 days of receipt of notice, as hereinafter provided, of the Vendor's election to retain the Equipment for its own use, the Vendor shall sell, lease or otherwise dispose of the Equipment as hereinafter provided, or (ii) shall, within 60 days of receipt of such notice, pay or cause to be paid to the Vendor the total unpaid balance of the indebtedness in respect of the Purchase Price of all the Equipment, together with interest thereon accrued and unpaid and all other payments due by the Railroad under this Agreement, then in such event absolute right to the possession of, title to and property in such Equipment shall pass to and vest in the Railroad; or (b) the Vendor, with or without the retaking of possession thereof, may, at its election, sell, lease or otherwise dispose of the Equipment, or any Item thereof, free from any and all claims of the Railroad, or of any other party claiming by, through or under the Railroad, at law or in equity, by public or private proceedings and with or without advertisement as the Vendor may determine; and the proceeds of such disposition, less the attorneys' fees and any other expenses incurred by the Vendor in taking possession of, removing, storing, preparing and disposing of the Equipment, shall be credited to the amount due to the Vendor under the provisions of this Agreement. Written notice of the Vendor's election to retain the Equipment for its own use may be given to the Railroad by telegram or registered mail addressed to the Railroad as provided in Section 20 hereof, at any time during a period of 60 days after the entire indebtedness in respect of the Purchase Price shall have been declared immediately due and payable as hereinbefore provided; and if no such notice shall have been given, the Vendor shall be deemed to have elected to sell, lease or otherwise dispose of the Equipment in accordance with the provisions of this Section 16.

16.4. Any sale hereunder may be held or conducted at such place or places and at such time or times as the Vendor may specify, in one lot and as an entirety, or in separate lots and without the necessity of gathering at the place of sale the property to be sold, and in general in such manner as the Vendor may determine, provided that the Railroad shall be given written notice of such sale not less than 60 days prior thereto, by mail addressed as provided herein. If such sale shall be a private sale, it shall be subject to the rights of the Railroad to purchase or provide a purchaser, within 60 days after notice of the proposed sale price, at the same price offered in writing by the intending purchaser or a better price. In the event that the Railroad does not exercise said right to purchase or provide a purchaser for the Equipment, the Vendor may bid for and become the purchaser of the Equipment, or any Item thereof, so offered for sale without accountability to the Railroad (except to the extent of surplus money received as hereinafter provided in this Section), and in payment of the Purchase Price therefor the Vendor shall be entitled to have credited on account thereof all sums due to the Vendor from the Railroad hereunder.

16.5. Each and every power and remedy hereby specifically given to the Vendor shall be in addition to every other power and remedy hereby specifically given or now or hereafter existing at law or in equity, and each and every power and remedy may be exercised from time to time and simultaneously and as often and in such order as may be deemed expedient by the Vendor. All such powers and remedies shall be cumulative, and the exercise of one shall not be deemed a waiver of the right to exercise any other or others. No delay or omission of the Vendor in the exercise of any such power or remedy and no renewal or extension of any payments due hereunder shall impair any such power or remedy or shall be construed to be a waiver of any default or an acquiescence therein.

16.6. All sums of money realized by the Vendor under the remedies herein provided shall be applied, first to the payment of the expenses and liabilities of the Vendor herein undertaken to be paid, second to the payment of the indebtedness in respect of the Purchase Price of the Equipment and third to the payment of interest on the indebtedness in respect of the Purchase Price of the Equipment accrued and unpaid. If, after applying as aforesaid all sums of money realized by the Vendor, there shall remain any amount due to it under the provisions of this Agreement, the Vendor may bring suit therefor and shall be entitled to recover a judgment therefor against the Railroad. If, after applying as aforesaid all sums realized by the Vendor, there shall remain a surplus in the possession of the Vendor, such surplus shall be paid to the Railroad.

16.7. The Railroad will pay all reasonable expenses, including attorneys' fees, incurred by the Vendor in enforcing its remedies under the terms of this Agreement. In the event that the Vendor shall bring any suit to enforce any of its rights hereunder and shall be entitled to judgment, then in such suit the Vendor may recover reasonable expenses, including attorneys' fees and the amount thereof shall be included in such judgment.

16.8. The foregoing provisions of this Section are subject in all respects to all mandatory requirements of law at the time in force and applicable thereto.

SECTION 17. APPLICABLE STATE LAWS.

17.1. Any provision of this Agreement prohibited by any applicable law of any state, or which by any applicable law of any state would convert this Agreement into any instrument other than an agreement of conditional sale, shall as to such state be ineffective, without modifying the remaining provisions of this Agreement. Where, however, the conflicting provisions of any applicable state law may be waived, they are hereby waived by the Railroad to the full extent permitted by law, to the end that this Agreement shall be deemed to be a conditional sale agreement and enforced as such.

17.2. Except as otherwise provided in this Agreement, the Railroad, to the full extent permitted by law, hereby waives all statutory or other legal requirements for any notice of any kind, notice of intention to take possession of or to sell the Equipment, or any Item thereof, and any other requirements as to the time, place and terms of sale thereof, and other requirements with respect to the enforcement of the Vendor's rights hereunder and any and all rights of redemption.

SECTION 18. EXTENSION NOT A WAIVER.

No delay or omission in the exercise of any power or remedy herein provided or otherwise available to the Vendor shall impair or affect the Vendor's right thereafter to exercise the same. Any extension of time for payment hereunder or other indulgence duly granted to the Railroad shall not otherwise alter or affect the Vendor's rights or the obligations of the Railroad hereunder. The Vendor's acceptance of any payment after it shall have become due hereunder shall not be deemed to alter or affect the Railroad's obligations or the Vendor's rights hereunder with respect to any subsequent payments or defaults therein.

SECTION 19. RECORDING.

The Railroad will cause this Agreement, any assignment hereof and any supplements hereto and thereto to be filed, recorded or deposited and re-filed, re-recorded or re-deposited, if necessary, with the Interstate Commerce Commission, and otherwise as may be required by law or reasonably requested by the Vendor for the purpose of proper protection, to the satisfaction of counsel for the Vendor of its security title to the Equipment and its rights under this Agreement or for the purpose of carrying out the intention of this Agreement; and the Railroad will promptly furnish to the Vendor certificates or other evidences of such filing, recording or depositing, and an opinion or opinions of counsel for the Railroad with respect thereto, satisfactory to the Vendor.

SECTION 20. NOTICE.

Any notice hereunder to any of the parties designated below shall be deemed to be properly served if delivered or mailed to it at the following specified addresses:

(a) to the Railroad: Grand Trunk Western Railroad Company, 131 West Lafayette Boulevard, Detroit, Michigan 48226, Attention: Secretary;

(b) to the Vendor: North American Car Corporation, 222 South Riverside Plaza, Chicago, Illinois 60606, Attention: Vice President - Finance;

(c) to the Investor: The Northern Trust Company,
50 South LaSalle Street, Chicago, Illinois 60675,
Attention: Loan Operating Division - Bank 2;

(d) to any assignee of the Vendor, or of the
Investor, or of the Railroad, at such address as may
have been furnished in writing to the Railroad or the
Vendor, or the Investor, as the case may be, by such
assignee,

or at such other address as may have been furnished in writing by
such party to the other parties to this Agreement.

SECTION 21. HEADINGS

All section headings are inserted for convenience only
and shall not affect any construction or interpretation of this
Agreement.

SECTION 22. EFFECT AND MODIFICATION OF AGREEMENTS.

This Agreement and the Schedule relating hereto ex-
clusively and completely state the rights and agreements of the
Investor, the Vendor and the Railroad with respect to the Equipment
and supersede all other agreements, oral or written, with respect
to the Equipment. No variation of this Agreement and no waiver of
any of its provisions or conditions shall be valid unless in writing
and duly executed on behalf of the Investor, the Vendor and the
Railroad.

SECTION 23. LAW GOVERNING.

The terms of this Agreement and all rights and obliga-
tions hereunder shall be governed by the laws of the State of
Illinois; provided, however, that the parties shall be entitled to
all rights conferred by 49 U.S.C. §11303 and such additional rights
arising out of the filing, recording and depositing hereof and
of any assignment hereof as shall be conferred by the laws of the
several jurisdictions in which this Agreement or any assignment
hereof shall be filed, recorded or deposited.

SECTION 24. DEFINITIONS.

The term "Vendor", whenever used in this Agreement, means,
before any assignment of any of its rights hereunder, North American
Car Corporation, and any successor or successors for the time
being to the properties and business thereof, and, after any such
assignment, any assignee or assignees for the time being of such
particular assigned rights as regards such rights, and also any
assignor as regards any rights and obligations hereunder that are
retained and excluded from any assignment.

SECTION 25. PAYMENT OF EXPENSES.

The Railroad will pay all reasonable costs, charges and expenses, except the counsel fees of the Vendor, but including the fees and expenses of special counsel for the Investor and including stamp and other taxes, if any, incident to the printing or other duplicating, execution, acknowledgment, delivery, filing or recording of this Agreement, of any instrument supplemental to or amendatory of this Agreement, and of any certificate of the payment in full of the indebtedness in respect of purchase price due hereunder.

SECTION 26. CONSOLIDATION OR MERGER.

In case of any consolidation or merger to which the Railroad or the Vendor shall be a party, or in case of any sale of all or substantially all the assets of the Railroad or the Vendor, the corporation resulting from such consolidation or merger (if other than the Railroad or the Vendor) or the corporation which shall acquire such assets, shall expressly assume all obligations hereunder, not then performed, of the Railroad or the Vendor, as the case may be, and shall become entitled to all rights hereunder of the Railroad or the Vendor, as the the case may be.

SECTION 27. INSURANCE.

The Railroad will at all times after the purchase of each Item of Equipment, at its own expense, keep or cause to be kept each such Item insured by a reputable insurance company or companies in amounts and against risks customarily insured against by other railroad companies on similar equipment or may maintain self-insurance in such amounts and with respect to such risks (provided that adequate reserves shall be maintained in respect of any self-insured liabilities in accordance with generally accepted accounting principles). Such insurance may provide that losses shall be adjusted with the Railroad and shall provide that the proceeds thereof shall be payable to the Vendor, the Investor and the Railroad as their interest shall appear. All proceeds of insurance received by the Investor with respect to any Items of Equipment not suffering a Casualty Occurrence shall be paid to the Railroad upon proof satisfactory to the Investor that any damage to any Item with respect to which such proceeds were paid has been fully repaired. Any such proceeds of insurance received by the Investor with respect to a Casualty Occurrence shall be credited toward the payment required by Section 6 with respect to such Casualty Occurrence.

SECTION 28. EXECUTION.

This Agreement may be executed in any number of counter-parts, each of which so executed shall be deemed to be an original,

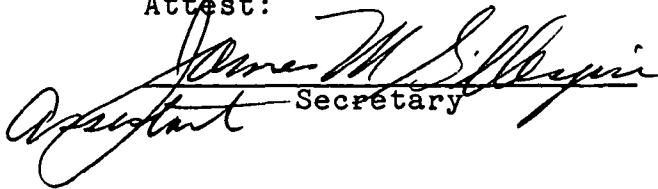
and such counterparts together shall constitute but one and the same contract, which shall be sufficiently evidenced by any such original counterpart. Although this Agreement is dated for convenience as of the date first above written, the actual date or dates of execution hereof by the parties hereto is or are, respectively, the date or dates stated in the acknowledgments hereto annexed.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed in their respective corporate names by their officers or representatives, thereunto duly authorized, and their respective corporate seals to be hereunto affixed, duly attested, all as of the date first above written.

NORTH AMERICAN CAR CORPORATION

(Corporate Seal)

Attest:


Assistant Secretary


By 
Its VICE PRESIDENT

GRAND TRUNK WESTERN RAILROAD
COMPANY

(Corporate Seal)

Attest:



Secretary

By 
Its Vice President - Administration

THE NORTHERN TRUST COMPANY

(Corporate Seal)

Attest:


Secretary
VICE PRESIDENT

BY 
Its VICE PRESIDENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On this 18th day of August, 1980, before me, personally appeared Robert N. Tidball, to me personally known, who, being by me duly sworn, says that he is the Vice President of NORTH AMERICAN CAR CORPORATION, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Lina Prewitt
Notary Public

[Seal]

My Commission Expires:

My Commission Expires March 26, 1983

STATE OF MICHIGAN)
) SS.
COUNTY OF WAYNE)

On this 25th day of August, 1980, before me personally appeared W. Deakin, to me personally known, who, being by me duly sworn, says that he is the Vice President of GRAND TRUNK WESTERN RAILROAD COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

J. Isabelle Matusko
Notary Public

(Seal)

My Commission expires:

J. ISABELLE MATUSKO
Notary Public, Oakland County, Michigan
Acting in Wayne County, Michigan
My Commission Expires March 14, 1983.

STATE OF ILLINOIS)
)
COUNTY OF COOK) SS

On this 21st day of August, 1980, before me personally appeared RICHARD SCHONOFF, to me personally known, who being by me duly sworn, says that he is the VICE PRESIDENT of THE NORTHERN TRUST COMPANY, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Linda M. Meyers
Notary Public

(Seal)

My commission expires: NOTARY PUBLIC STATE OF ILLINOIS
 MY COMMISSION EXPIRES AUG. 21 1982
 ISSUED THRU ILLINOIS NOTARY ASSOC.

SCHEDULE A

To Conditional Sale Agreement and Assignment

1. Description of Equipment 40 used 85 foot
70-ton Piggyback
Flat Cans built
1960 and 1962
bearing the follow-
ing Grand Trunk
Western Railroad
Company Roan Numbers.
Purchase Price \$408,000

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RETESTENCED RUNNING NUMBERS</u>
4006	GTW 303012	
339	GTW 303013	
436	GTW 303014	
4052	GTW 303015	
4500	GTW 303016	
4504	GTW 303017	
4008	GTW 303018	
393	GTW 303019	
7522	GTW 303021	
7534	GTW 303022	
7538	GTW 303023	
378	GTW 303024	
7535	GTW 303025	
4007	GTW 303026	
260	GTW 303027	
1152	GTW 303029	
7537	GTW 303031	
248	GTW 303032	
16009	GTW 303033	
249	GTW 303034	
7521	GTW 303035	
7518	GTW 303036	
7532	GTW 303037	
4051	GTW 303040	
7517	GTW 303041	
7526	GTW 303042	
4010	GTW 303043	
277	GTW 303044	
4510	GTW 303045	
4503	GTW 303046	
16014	GTW 303048	
9029	GTW 303049	
4509	GTW 303051	
9045	GTW 303052	
250	GTW 303053	
7514	GTW 303054	
425	GTW 303055	
16001	GTW 303056	
4005	GTW 303057	
7519	GTW 303058	

2. Description of Equipment 241 used Items as follows:

47 cars low deck bi-level built by Pullman
in 1968 - 10" FreightMaster E.O.C. cushion;
8'4" wide width with Paragon bi-level rack.
Purchase Price 462,753

17 cars standard deck bi-level built by ACF
in 1963-64 - 10" wide FreightMaster E.O.C.
cushion; 8'6" wide with Whitehead & Kales
AB-15110 bi-level rack.
Purchase Price 101,163

54 cars low deck bi-level built by ACF and W&K
in 1964-5-6 - 10" FreightMaster E.O.C. cushion -
8'2" wide with W&K AB-15122 tri-level rack modi-
fied from 304600 series by Paragon.
Purchase Price 520,598

35 cars low deck bi-level built by ACF in 1962-64
* Non-cushion car - 8'2" wide with modified W&K
AB-15086 sliding tri-level rack.
Purchase Price 175,166

3 cars low deck tri-level built by ACF in 1962-64
Non-cushion car - 8'2" wide with W&K AB-15086 sliding
tri-level rack.
Purchase Price 13,945

26 cars low deck tri-level built by ACF in 1962-64
Non-cushion car - 8'2" wide with W&K AB-15086 sliding
tri-level rack modified account "B" deck secured for
"Western" movements.
Purchase Price 122,533

6 cars low deck tri-level built by ACF in 1964 -
10" FreightMaster E.O.C. cushion - 8'4" wide with
W&K AB-15122 tri-level rack.
Purchase Price 39,217

47 cars low deck tri-level built by W&K in 1965-66 -
10" FreightMaster E.O.C. cushion - 7'10" wide with
W&K AB-15122 tri-level rack; and 6 cars low deck
tri-level built by ACF and W&K in 1965 - 10"
FreightMaster E.O.C. cushion - 8'4" wide with W&K
AB15122 tri-level rack.
Purchase Price 446,216

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13800	GTW 304000	
13801	GTW 304001	
13802	GTW 304002	
13803	GTW 304003	
13804	GTW 304004	
13805	GTW 304005	
13806	GTW 304006	
13808	GTW 304008	
13809	GTW 304009	
13811	GTW 304011	
13812	GTW 304012	
13813	GTW 304013	
13814	GTW 304014	
13815	GTW 304015	
13816	GTW 304016	
13817	GTW 304017	
13819	GTW 304019	
13820	GTW 304020	
13821	GTW 304021	
13822	GTW 304022	
13823	GTW 304023	
13824	GTW 304024	
13825	GTW 304025	
13827	GTW 304027	
13828	GTW 304028	
13829	GTW 304029	
13830	GTW 304030	
13831	GTW 304031	
13832	GTW 304032	
13833	GTW 304033	
13834	GTW 304034	
13835	GTW 304035	
13836	GTW 304036	
13837	GTW 304037	
13839	GTW 304039	
13840	GTW 304040	
13841	GTW 304041	
13842	GTW 304042	
13843	GTW 304043	
13844	GTW 304044	
13845	GTW 304045	
13846	GTW 304046	
13847	GTW 304047	
13850	GTW 304050	
13851	GTW 304051	
13852	GTW 304052	
13853	GTW 304053	

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13854	GTW 304054	
13597	GTW 304215	
13598	GTW 304216	
13599	GTW 304217	
13601	GTW 304219	
13602	GTW 304220	
13603	GTW 304221	
13651	GTW 304222	
13653	GTW 304224	
13657	GTW 304228	
13658	GTW 304229	
13659	GTW 304230	
13660	GTW 304231	
13661	GTW 304232	
13663	GTW 304234	
13664	GTW 304235	
13665	GTW 304236	
13666	GTW 304237	
13638	GTW 304400	
13641	GTW 304401	
13762	GTW 304402	
13646	GTW 304403	
13682	GTW 304404	
13686	GTW 304405	
13680	GTW 304406	
13637	GTW 304407	
13703	GTW 304408	
13670	GTW 304409	
13701	GTW 304410	
13706	GTW 304411	
13695	GTW 304412	
13683	GTW 304413	
13674	GTW 304414	
13676	GTW 304415	
13735	GTW 304416	
13650	GTW 304417	
13675	GTW 304418	
13677	GTW 304419	
13681	GTW 304420	
13693	GTW 304421	
13740	GTW 304422	
13678	GTW 304423	
13649	GTW 304424	
13688	GTW 304425	
13756	GTW 304426	
13644	GTW 304427	
13700	GTW 304428	
13679	GTW 304429	
13737	GTW 304430	
13743	GTW 304431	

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13757	GTW 304432	
13694	GTW 304433	
13704	GTW 304434	
13716	GTW 304435	
13718	GTW 304436	
13731	GTW 304437	
13732	GTW 304438	
13742	GTW 304439	
13745	GTW 304440	
13752	GTW 304441	
13754	GTW 304442	
13717	GTW 304443	
13729	GTW 304444	
13733	GTW 304445	
13689	GTW 304446	
13736	GTW 304447	
13705	GTW 304448	
13722	GTW 304449	
13749	GTW 304450	
13751	GTW 304451	
13755	GTW 304452	
13750	GTW 304453	
13534	GTW 304534	
13539	GTW 304539	
13619	GTW 304597	
13639	GTW 304616	
13640	GTW 304617	
13642	GTW 304619	
13643	GTW 304620	
13645	GTW 304622	
13648	GTW 304625	
13668	GTW 304628	
13669	GTW 304629	
13671	GTW 304631	
13672	GTW 304632	
13673	GTW 304633	
13684	GTW 304644	
13685	GTW 304645	
13687	GTW 304647	
13690	GTW 304650	
13691	GTW 304651	
13696	GTW 304656	
13697	GTW 304657	
13698	GTW 304658	
13702	GTW 304662	
13719	GTW 304670	
13720	GTW 304671	
13721	GTW 304672	
13723	GTW 304674	

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13724	GTW 304675	
13725	GTW 304676	
13727	GTW 304678	
13730	GTW 304681	
13734	GTW 304685	
13738	GTW 304689	
13739	GTW 304690	
13741	GTW 304692	
13746	GTW 304697	
13747	GTW 304698	
13748	GTW 304699	
13761	GTW 304711	
13763	GTW 304713	
13764	GTW 304714	
13765	GTW 304715	
13766	GTW 304716	
13767	GTW 304717	
13768	GTW 304718	
13769	GTW 304719	
13770	GTW 304720	
13771	GTW 304721	
13772	GTW 304722	
13774	GTW 304724	
13775	GTW 304725	
13776	GTW 304726	
13777	GTW 304727	
13778	GTW 304728	
13779	GTW 304729	
13780	GTW 304730	
13781	GTW 304731	
13782	GTW 304732	
13783	GTW 304733	
13784	GTW 304734	
13785	GTW 304735	
13531	GTW 404531	
13535	GTW 404535	
13543	GTW 404543	
13546	GTW 404546	
13548	GTW 404548	
13551	GTW 404551	
13554	GTW 404554	
13556	GTW 404556	
13560	GTW 404560	GTW 504560
13561	GTW 404561	
13563	GTW 404563	
13564	GTW 404564	
13000	GTW 404566	
13004	GTW 404567	
13005	GTW 404568	
13007	GTW 404570	
13008	GTW 404571	

<u>SERIAL NUMBERS</u>	<u>ORIGINAL RUNNING NUMBERS</u>	<u>RESTENCILED RUNNING NUMBERS</u>
13605	GTW 404583	
13608	GTW 404586	
13609	GTW 404587	
13618	GTW 404596	
13621	GTW 404599	
13622	GTW 404600	
13624	GTW 404602	
13627	GTW 404605	
13629	GTW 404606	
13634	GTW 404611	
13532	GTW 504532	
13536	GTW 404536	GTW 504536
13537	GTW 404537	GTW 504537
13538	GTW 404538	GTW 504538
13541	GTW 504541	
13542	GTW 504542	
13544	GTW 404544	GTW 504544
13545	GTW 504545	
13547	GTW 504547	
13549	GTW 404549	GTW 504549
13557	GTW 404557	GTW 504557
13565	GTW 504565	
13006	GTW 404569	GTW 504569
13009	GTW 504572	
13581	GTW 504581	
13604	GTW 504582	
13607	GTW 404585	GTW 504585
13610	GTW 404588	GTW 504588
13611	GTW 404589	GTW 504589
13612	GTW 404590	GTW 504590
13613	GTW 404591	GTW 504591
13614	GTW 404592	GTW 504592
13615	GTW 504593	
13616	GTW 404594	GTW 504594
13617	GTW 504595	
13620	GTW 404598	GTW 504598
13623	GTW 504601	
13625	GTW 404603	GTW 504603
13626	GTW 404604	GTW 504604
13630	GTW 404607	GTW 504607
13631	GTW 404608	GTW 504608
13632	GTW 504609	
13633	GTW 404610	GTW 504610
13635	GTW 504612	